

CHAPTER NO. 1109

HOUSE BILL NO. 3326

By Representatives Rhinehart, Kisber, Winningham, Davidson, Cross, Ferguson, Lois DeBerry, Bowers, Windle, Cooper, Lewis, Caldwell, Sharp, Stamps, Robinson, Patton, Ford, Sands, Davis, Fraley, Westmoreland, Ridgeway, Jackson, McAfee, Langster, Gunnels, Hargett, Kerr, Brooks, Sherry Jones, Pruitt, Tidwell, Pinion, Ronnie Cole, Givens, Wood, John DeBerry, Ulysses Jones, Miller, McDaniel, Kent, Pleasant, Dunn, Mike Walker, McDonald, West, Bone, Towns, Curtiss, McMillan, Sargent, White, Garrett, Whitson, Eckles, Hood, Hargrove, Arriola, Chumney, Odom, Mumpower, Burchett, Williams, Ralph Cole, Boyer, Goins, Bittle, Sands, Armstrong, Fitzhugh, Maddox, Godsey, Brenda Turner, Brown, Head, Walley, Hassell, Phelan, Rinks and Mr. Speaker Naifeh

Substituted for: Senate Bill No. 3292

By Senator Rochelle

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 27, Part 3, relative to insurance benefits for retired employees of local education agencies.

BE IN ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE.

SECTION 1. Tennessee Code Annotated, Section 8-27-302, is amended by adding the following as a new subsection (d) and by redesignating the existing subsections accordingly:

(d)(1) The Local Education Insurance Committee shall establish a schedule of premium payments for retired teachers participating in the basic plan authorized under subsection (a)(1) of this section. The schedule shall be based upon the total monthly plan premiums for all participants and the retiree's contribution shall be graduated to reflect the retiree's length of service. For retirees with less than twenty (20) years of service, the retiree shall pay seventy-five percent (75%) of the total premium under the plan. For retirees with twenty (20) but less than thirty (30) years of service, the retiree shall pay sixty-five percent (65%) of the total premium under the plan. For retirees with thirty (30) or more years of service, the retiree shall pay fifty-five percent (55%) of the total premium under the plan.

(2) The Local Education Insurance Committee is authorized to establish the eligibility criteria for retired teachers and the administrative requirements for the collection of premiums.

(3) "Years of service", as used in this subsection, means only those years of service rendered by the retiree as a teacher, as such term is defined in § 8-34-101(46), or as a state employee, as such term is defined in § 8-27-201(f), and as applied by the committee's policy governing the continuation of group insurance coverage after retirement.

(4) To the extent that retirees pay less than the total monthly premium and to the extent that the benefit payments exceed the anticipated premium for eligible retirees who were not retired during the prior calendar year, that expense shall be reimbursed by the state through a direct appropriation to the local education insurance plan.

SECTION 2. Tennessee Code Annotated, Section 8-27-303(a)(2), is amended by adding the following sentence immediately after the fifth sentence thereof:

The provisions of § 8-27-302(d) shall not be used in determining the equivalency or superiority of the local benefits.

SECTION 3. Section 8-27-306, Tennessee Code Annotated, is repealed.

SECTION 4. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 5. This act shall take effect on July 1, 1998, the public welfare requiring it.

PASSED: April 29, 1998


JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 19th day of May 1998

DON SUNDQUIST, GOVERNOR

Pursuant to Article III, Section 18, of the Constitution of the State of Tennessee, the Governor had House Bill No. 3326 in his possession longer than ten (10) days, so therefore the bill becomes law without the Governor's signature.